

Existing law defines a loan broker as any person who for compensation obtains or offers to obtain a consumer loan or federally related mortgage loan from a third party for another person.

Prior law exempted the following persons from the definition of loan broker:

- (1) An attorney when not actively engaged in the business of brokering consumer loans and federally related mortgage loans and when the brokering is incidental to the provision of other legal services.
- (2) A person licensed by the Louisiana Real Estate Commission who arranges financing in the normal course of representation of a client.
- (3) A licensed insurance agent who arranges for the financing of insurance with a financial institution or a licensed insurance premium finance company when the compensation received is paid only by the financial institution or insurance premium finance company.
- (4) Any real estate broker or salesman who is not actively and principally engaged in negotiating, placing, or finding mortgage loans when rendering professional services.
- (5) Any real estate investment trust.

New law retains existing and prior law and adds an exemption from the definition of loan broker for:

- (1) Any securities broker-dealer registered with the federal Securities and Exchange Commission and the office of financial institutions who is not principally engaged in negotiating, placing, or finding mortgage loans when rendering professional services.
- (2) Any licensed manufactured home dealer who arranges or assists in arranging a direct or indirect consumer or federally related mortgage loan secured in whole or in part by a manufactured home, when such dealer's business is not primarily that of a consumer loan broker.

Effective August 15, 1999.

(Adds R.S. 9:3572.2(B)(6) and (7))